

REGULATION OF BANK INDONESIA
NO: 12/19/PBI/2010
REGARDING
STATUTORY RESERVES
IN RUPIAH AND FOREIGN CURRENCY FOR COMMERCIAL BANKS

With the Grace of Almighty God

GOVERNOR OF BANK INDONESIA

- Considering:
- a. that inflationary pressures as well as the condition of the excess of the banking liquidity is high and persistent need to be controlled as not to impact the increase in inflation expectations which can affect monetary stability;
 - b. that the stability of the financial sector should continue to be supported by strengthening the conditions of the banking sector in the face of various risk and banking intermediation function optimization;
 - c. that in order to support monetary stability and banking sector, optimal management of excesses of liquidity should be done, such as through statutory reserves policy;
 - d. that the applicable settings of statutory reserves need to be adjusted by taking into account banking liquidity conditions and the role of banks in the exercise of intermediation function;
 - e. that based on the considerations referred to in letter a, letter b, letter c, and letter d, it is needed to reorganize the provisions regarding statutory reserves in rupiah and foreign currency for commercial banks, within a Regulation of Bank Indonesia;

- Given :
1. Act Number 7 Year 1992 on Banking (State Gazette of the Republic of Indonesia Year 1992 Number 31, Additions to State Gazette of the Republic of Indonesia Number 3472) as amended by Act Number 10 Year 1998 (State Gazette of the Republic of Indonesia Year 1998 Number 182, Additions to State Gazette of the Republic of Indonesia Number 3790);
 2. Act Number 23 Year 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Additions to State Gazette of the Republic of Indonesia Number 3843) as amended last by Act Number 6 Year 2009 about the determination of the Government Regulation Substituting Act Number 2 Year 2008 about the Second Amendment of Act Number 23 Year 1999 about Bank Indonesia into Law (State

Gazette of the Republic of Indonesia Year 2009 Number 7,
Additions to State Gazette of the Republic of Indonesia Number
4962);

DECIDED

Enact: REGULATION OF BANK INDONESIA REGARDING STATUTORY
RESERVES IN RUPIAH AND IN FOREIGN CURRENCY FOR
COMMERCIAL BANKS

CHAPTER I GENERAL PROVISIONS Article 1

In the Regulation of Bank Indonesia this has the following meaning:

1. Banks are Commercial Banks as referred to Act Number 7 Year 1992 about Banking as amended by Act Number 10 Year 1998, including branch office of foreign banks, that do business activities conventionally.
2. Foreign Exchange Banks are Banks that received letter of appointment from Bank Indonesia to be able to do banking business in foreign currency.
3. Third Party Fund , hereinafter called as DPK, are Banks liability for the residents and non-residents in rupiah and foreign currency.
4. Demand Deposits are certain external party accounts in Bank Indonesia that are the means for administering transaction of the deposit that can be carried out at any time.
5. Demand Deposits Accounts in Rupiah, hereinafter called as Rupiah Account, are Demand Deposits in rupiah currency that the withdrawal can be done using check of Bank Indonesia, Bank Indonesia clearing payment order (*bilyet giro*), or other means as referred to in the applicable provisions of Bank Indonesia regarding relation of Demand Deposits between Bank Indonesia and external party.
6. Demand Deposits in foreign currency, hereinafter called as Foreign Currency Account, are Demand Deposits in foreign currency that the withdrawal can be done through balance transfer or other means as refer to in the applicable provisions of Bank Indonesia regarding relation of Demand Deposits between Bank Indonesia and external party.
7. Loan to Deposit Ratio, hereinafter called LDR, is credit ratio which is given to third party in rupiah and foreign currency, not including credit to other Banks, towards third party fund that includes demand deposit , saving, and term deposit in rupiah and foreign currency, not including interbank funds.

8. LDR Target is the estimated LDR ratio that limited with lower limit and upper limit as determined by Bank Indonesia in order to calculate GWM LDR.
9. Statutory reserves, hereinafter called as GWM, is the amount of minimum fund that obliged to be maintained by Banks that the amount is determined by Bank Indonesia in certain Percentage of DPK.
10. Primary GWM is the minimum saving that is obliged to be maintained by Banks in the form of balance of Demand Deposit in Bank Indonesia that the amount is determined by Bank Indonesia in certain percentage of DPK.
11. Secondary GWM is the minimum reserve which is obliged to be maintained by Banks such as Bank Indonesia Certificates (SBI), Government Securities (SUN), Government Sharia Securities (SBSN), and/or Excess Reserve, that the amount is determined by Bank Indonesia in certain percentage of DPK.
12. GWM LDR is the minimum savings which is obliged to be maintained by Banks in form of balance in Demand Deposits in Bank Indonesia as a percentage of DPK calculated from the difference between LDR Bank and LDR Target.
13. Jakarta Interbank Offered Rate, hereinafter called JIBOR, is the interbank interest rate for the offered time of certain banks in Jakarta.
14. Bank Indonesia Certificates, hereinafter called SBI, are securities in rupiah currency that issued by Bank Indonesia as the short-term blanket lien.
15. Government Securities, hereinafter called SUN, are government securities as referred to in Act Number 24 Year 2002 regarding Government Securities.
16. Government Sharia Securities, hereinafter called SBSN or **Sukuk Negara**, are government sharia securities as referred in Act Number 19 Year 2009 regarding Government Sharia Securities, but limited only in rupiah currency.
17. Excess Reserve is the balance excess of Banks Rupiah Demand Deposits from Primary GWM and GWM LDR that are obliged to be maintained in Bank Indonesia.
18. Minimum Capital Adequacy Requirements, hereinafter called as KPMM, is the comparison ratio between capital and weighted assets according to risks as referred to in provisions of Bank Indonesia regarding minimum capital adequacy requirements for commercial banks.
19. Incentive KPMM is KPMM that is determined by Bank Indonesia in the calculation of GWM LDR.
20. Parameters of the Low Disincentive is the multiplier parameter used in the calculation of GWM LDR for Banks that have LDR less than lower limit of LDR Target.
21. Parameters of the High Disincentive is the multiplier parameter used in the calculation of GWM LDR for Banks that have LDR more than the upper limit of LDR Target.

CHAPTER II
FULFILLMENT OF STATUTORY RESERVES
Article 2

- (1) Banks are obliged to fulfill the GWM in rupiah.
- (2) GWM in rupiah as referred to at paragraph (1) consists of Primary GWM, Secondary GWM, and LDR GWM.
- (3) Foreign Exchange Banks aside from obliged to fulfill the provisions as referred at paragraph (1) also obliged to fulfill GWM in foreign currency.

Article 3

The fulfillment of GWM in rupiah as referred to in Article 2 paragraph (2) is determined as the following:

- a. Primary GWM in rupiah by 8% (eight percent) from DPK in rupiah.
- b. Secondary GWM in rupiah by 2.5% (two point five percent) from DPK in rupiah.
- c. LDR GWM in rupiah by the calculation between Parameters of the Low Disincentive or Parameters of the High Disincentives by showing the differences between Bank KPMM and Incentive KPMM.

Article 4

GWM in foreign currency as referred to in Article 2 paragraph (3) is determined by 1% (one percent) from DPK in foreign currency.

Article 5

GWM percentage as referred to in Article 3 and Article 4 can be adjusted from time to time.

CHAPTER III BANKS DEMAND DEPOSIT IN BANK INDONESIA

Article 6

- (1) Every Bank is obliged to maintain Rupiah Demand Deposits in Bank Indonesia.
- (2) Foreign Exchange Banks aside from obliged to maintain Rupiah Demand Deposits as referred to at paragraph (1) also obliged to maintained Foreign Currency Demand Deposits in Bank Indonesia.
- (3) The procedures of opening, deposit, withdrawal, and closing of Rupiah Demand Deposits and Foreign Currency Demand Deposits as referred to at paragraph (1) and paragraph (2), determined based on the provisions of Bank Indonesia which govern about the relationship of Demand Deposits between Bank Indonesia and external party.

CHAPTER IV

CALCULATION OF STATUTORY RESERVES

Article 7

Banks are obliged to fulfill GWM as referred to in Article 3 and Article 4 daily.

Article 8

Fulfillment of Primary GWM in rupiah as referred to in Article 3 letter a and LDR GWM in rupiah as referred to Article 3 letter c, also fulfillment of GWM in foreign currency as referred to in Article 4, calculated by comparing Bank Demand Deposits balance in Bank Indonesia every end of the day in 1 (one) reporting period towards average daily amount of DPK in 1 (one) reporting period at 2 (two) previous reporting period.

Article 9

- (1) The fulfillment of Secondary GWM in rupiah as referred to in Article 3 letter b is calculated by comparing amount of SBI, SUN, SBSN, and/or Excess Reserve in every end of the day in 1 (one) reporting period towards average daily amount of DPK in 1 (one) reporting period at 2 (two) previous reporting period.
- (2) Procedures of Secondary GWM fulfillment in rupiah is performed in accordance to Circular Letter of Bank Indonesia governing the calculation of secondary statutory reserves in rupiah.

Article 10

- (1) For the first time, the amount and parameter used in the calculation of LDR GWM in rupiah is determined as the following:
 - a. Lower limit of LDR Target is 78% (seventy eight percent).
 - b. Upper limit of LDR Target is 100% (a hundred percent).
 - c. Incentive KPMM is 14% (fourteen percent).
 - d. The Parameter of Low Disincentive is 0.1 (zero point one).
 - e. The Parameter of High Disincentive is 0.2 (zero point two).
- (2) Bank Indonesia can change the amount and the parameter referred to at paragraph (1) in any time if needed.

Article 11

The fulfillment of LDR GWM in rupiah as referred to in Article 2 letter c is performed as the following:

- a. In case the Banks LDR is in the range of LDR Target then LDR GWM Bank is 0% (zero percent) from DPK in rupiah.

- b. In case the Banks LDR is smaller than the lower limit of LDR Target then LDR GWM is the multiplication of the Parameters of Low Disincentive, difference between lower limit of LDR Target and Banks LDR, and DPK in rupiah.
- c. In case the Banks LDR is bigger than the upper limit of LDR Target and Banks KPMM is smaller than Incentive KPMM then LDR GWM is the multiplication of the Parameters of HighDisincentive, difference between Banks LDR and upper limit of LDR Target, and DPK in rupiah.
- d. In case the Banks LDR is bigger than the upper limit of LDR Target and Banks KPMM is the same or bigger than Incentive KPMM, then Banks LDR GWM is by 0% (zero percent) from DPK in rupiah.

Article 12

- (1) DPK in rupiah as referred to in Article 3 letter a and letter b, Article 11, Article 6 paragraph (2) also DPK in foreign currency as referred to in Article 4 is retrieved from DPK Report in Rupiah and Foreign Currency in Periodic Report of Commercial Bankas referred to in provisions of Bank Indonesia regarding periodic report of commercial bank.
- (2) Banks LDR as referred to in Article 3 letter c and Article 11 is retrieved from weekly balance sheet accounts that are submitted by Banks to Bank Indonesia as referred to in the provisions of Bank Indonesia regarding periodic report of commercial bank.
- (3) Banks KPMM as referred to in Article 3 letter c and Article 11 is a quarterlyKPMM from the calculation of Bank Indonesia that are used in the supervision towards related Banks and retrieved by Banks from Bank Indonesia.
- (4) The quarterlyKPMM as referred to at paragraph (3) is Banks KPMM for the quarter end date position, is as the following:
 - a. KPMM in the end of September position is used for LDR GWM calculation in rupiah daily for December, January, and February.
 - b. KPMM in the end of February position is used for GWM LDR calculation in rupiah daily for March, April, and May.
 - c. KPMM in the end of March position is used for GWM LDR calculation in rupiah for June, July, and August.
 - d. KPMM in the end of June position is used for GWM LDR calculation in rupiah for September, October, and November.
- (5) In case of the difference between KPMM calculation by Bank Indonesia with KPMM calculation by Banks then the applicable one is the KPMM calculation from Bank Indonesia.

Article 13

- (1) Banks Demand Deposits balance in Bank Indonesia as referred to in Article 8 each comprises:
 - a. Banks Rupiah Demand Deposits balance;
 - b. Banks Foreign Currency Demand Deposits balance.
- (2) Information concerning Banks Demand Deposits balance in Bank Indonesia as referred to at paragraph (1) is retrieved from BI-RTGS system for Banks Rupiah Demand Deposits and from Bank Indonesia accounting system for Banks Foreign Currency Demand Deposits.

Article 14

- (1) DPK as referred to in Article 3, Article 11, Article 16 paragraph (2) and Article 4 consists of:
 - a. average daily total of DPK in rupiah in all Banks Offices in Indonesia;
 - b. average daily total of DPK in foreign currency in all Banks Offices in Indonesia.
- (2) DPK in rupiah includes liabilities in rupiah to third party not bank, whether to residents or non-residents, which comprises:
 - a. demand deposits;
 - b. savings;
 - c. term deposits; and
 - d. other liabilities.
- (3) DPK in foreign currency includes liabilities in foreign currency to third party, including Banks in Indonesia, whether to residents or non-residents, which comprises:
 - a. demand deposits;
 - b. savings;
 - c. term deposits; and
 - d. other liabilities.

CHAPTER V REPORTING

Article 15

Banks are obliged to submit the report regarding DPK and weekly balance sheet accounts, in rupiah and in foreign currency, periodically to Bank Indonesia as set in provisions of Bank Indonesia regarding periodic report of commercial bank.

CHAPTER VI INTEREST

Article 16

- (1) Bank Indonesia give interest every working day towards certain part from the fulfillment obligation of Primary GWM in Rupiah as referred to in Article 3 letter a.
- (2) The certain part as referred to at paragraph (1) is determined by 3% (three percent) from DPK in Rupiah.
- (3) Interest as referred to in paragraph (1) are given with the interest of 2.5% (two point five percent) per year.
- (4) Interest as referred to in paragraph (1) are given if the Banks have fulfilled all GWM obligations in rupiah as referred to in Article 3.
- (5) Bank Indonesia can change the policy regarding the giving of interest and/or percentage of interest by considering economy condition and Bank Indonesia policy directions.

Article 17

- (1) The giving of interest as referred to in Article 16 is performed by crediting Banks Rupiah Demand Deposits in Bank Indonesia.
- (2) Crediting of Banks Rupiah Demand Deposits in order to give interest as referred to paragraph (1) is done through the following:
 - a. Interest in the period of date 1 until date 7 are credited the latest of 2 (two) working days after date 7 in the same month;
 - b. Interest in the period of date 8 until date 15 are credited the latest of 2 (two) working days after date 15 in the same month;
 - c. Interest in the period of date 16 until date 23 are credited the latest of 2 (two) working days after date 23 in the same month;
 - d. Interest in the period of date 24 until date of end of the month are credited the latest of 2 (two) working days after date of end of the month.
- (3) In case of at the later date it is found that there is deficiency or excess in crediting related to the giving of interest as referred to at paragraph (1), Bank Indonesia can directly credit or debit related Banks Demand Deposits as referred to in the provisions of Bank Indonesia regarding Bank Indonesia System of Real Time Gross Settlement.

CHAPTER VII

SANCTION

Article 18

- (1) Banks that violate the GWM fulfillment obligation in rupiah as referred to in Article 3 are penalized with obligation to pay by 125% (one hundred and twenty five percent) of the average overnight JIBOR in the day of the violation, towards the GWM deficiency in rupiah, for every working day violations.
- (2) Banks that violate the GWM fulfillment obligation in foreign currency as referred to Article 4 are penalized with obligation to pay by 0.04% (zero point

zero four percent) per working day, which calculated from the difference between the required daily balance in Banks Foreign Currency Demand Deposits in Bank Indonesia and the daily balance of Banks Foreign Currency Demand Deposits recorded in Bank Indonesia accounting system.

- (3) Paying obligation sanctions as referred at paragraph (2) are paid in rupiah by using Bank Indonesia transaction exchange rate at the day of violation.
- (4) Paying obligation sanctions as referred at paragraph (1) are excluded for Banks that received allowances incentives on GWM fulfillment in rupiah as governed in Regulation of Bank Indonesia regarding Incentive in the framework of Banking Consolidation, as long as the deficiency of Primary GWM in rupiah is not exceeding 1% (one percent) from DPK in rupiah.

Article 19

Aside from using sanctions as referred to in Article 18, Bank Indonesia has the authorization to impose administration sanctions as referred to in Article 52 Act Number 7 Year 1992 regarding to Banking as amended by Act Number 10 Year 1998, towards Banks that do not fulfill GWM obligations as referred to in Article 3 and Article 4.

Article 20

In order to implement supervisory action towards Banks that are given Cease and Desist Order (CDO) related to credit distribution and fund collection, Bank Indonesia has the authorization to calculate the difference from the LDR GWM provisions as referred to in this Regulation of Bank Indonesia.

Article 21

- (1) The imposition of sanctions as referred to in Article 18 is performed by debiting Banks Rupiah Demand Deposits in Bank Indonesia.
- (2) Debiting of Banks Rupiah Demand Deposits in the framework of sanctions imposition as referred to paragraph (1) is performed the latest of in the next 3 (three) working days after the GWM violation date.
- (3) In case of at the later date it is found that there is deficiency or excess in debiting related to the sanctions imposition as referred to at paragraph (1), Bank Indonesia can directly debit related Banks Demand Deposits as set in provisions of Bank Indonesia regarding Bank Indonesia System of Real Time Gross Settlement for Banks Rupiah Demand Deposits and Bank Indonesia accounting system for Banks Foreign Currency Demand Deposits.
- (4) In case of Banks Rupiah Demand Deposits balance is insufficient for debiting sanctions as referred to in paragraph (1) then for the deficiency is also penalized as referred to in Article 18 paragraph (1).

CHAPTER VIII
CLOSING PROVISIONS
Article 22

Provisions regarding to LDR GWM fulfillment obligations in rupiah and sanctions provisions on the LDR GWM fulfillment obligation violation in rupiah is applicable in 1st March 2011.

Article 23

With the enactment of this Regulation of Bank Indonesia therefore the Regulation of Bank Indonesia Number 10/19/PBI/2008 date 14th October 2008 regarding Statutory Reserve in Rupiah and Foreign Currency for Commercial Banks as amended last by Regulation of Bank Indonesia Number 10/25/PBI/2008 date 23rd October 2008 is revoked and declared not valid.

Article 24

- (1) Implementation provisions from Regulation of Bank Indonesia Number 10/19/PBI/2008 date 14th October 2008 regarding Statutory reserves in Rupiah and Foreign Currency for Commercial Banks as amended last by Regulation of Bank Indonesia Number 10/25/PBI/2008 date 23rd October 2008, is declared as still valid as long as not amended and not contradicted with this Regulation of Bank Indonesia.
- (2) All GWM main terms that listed in existed provisions of Bank Indonesia before this Regulation of Bank Indonesia becomes valid, should be read as Primary GWM as long as not contradicted with this Regulation of Bank Indonesia.

Article 25

This Regulation of Bank Indonesia is declared to be valid in 1st November 2010.

So as to inform every person concerned, dictating the placement of this Regulation of Bank Indonesia in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
In 4th October 2010
GOVERNOR OF BANK
INDONESIA

DARMIN NASUTION

Regulated in Jakarta

In 4th October 2010

MINISTER OF LAW AND HUMAN RIGHTS

REPUBLIC OF INDONESIA

PATRIALIS AKBAR

STATE GAZETTE OF REPUBLIC OF INDONESIA YEAR 2010 NUMBER 115

DPNP/DKM

ELUCIDATION
ON
REGULATION OF BANK INDONESIA
NUMBER: 12/19/PBI/2010
REGARDING
STATUTORY RESERVE
IN RUPIAH AND FOREIGN CURRENCY FOR COMMERCIAL BANKS

I. GENERAL

Controlling inflationary pressures as well as the management of high and persistent excess liquidity condition in banks, is very necessary so as not to impact in the increase in inflation expectations that could interfere with monetary stability.

In addition, the stability of financial sector needs to continue to be supported by strengthening the banking sector in facing various risks and optimize the banking intermediation function.

One approach used by Bank Indonesia to support the stability of monetary and financial sector is through the implementation of obligation to maintain statutory reserves.

The implementation of statutory reserves policy needs to be adjusted from time to time in accordance to the banking liquidity condition and considering the roles of banks in the implementation of intermediation function in line with the policy directions of Bank Indonesia.

Regarding to the things aforementioned, by considering banking liquidity condition and banking intermediation ability nowadays, re-setting the provisions of statutory reserves is deemed necessary.

II. ARTICLE BY ARTICLE

Article 1

Self explanatory.

Article 2

Self explanatory.

Article 3

Letter a

Example of Primary GWM calculation in rupiah:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000,00 (fifty five trillion rupiah).

Primary GWM in daily rupiah for reporting period since date 24 until end of November that are obliged to be fulfilled is by 8% (eight percent) of DPK in rupiah, which is Rp.4.400.000.000,00 (four trillion and four hundred billion rupiah).

Letter b

Example of Secondary GWM calculation in rupiah:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000,00 (fifty five trillion rupiah).

Secondary GWM in daily rupiah for reporting period since date 24 until end of November that are obliged to be fulfilled is by 2.5% (two point five percent) of DPK in rupiah, which is Rp.1.375.000.000,00 (one trillion and three hundred seventy five billion rupiah).

Letter c

Self-explanatory.

Article 4

Example of GWM calculation in foreign currency:

Bank A has average daily total DPK in foreign currency in reporting period since date 8 until date 15 in November of USD100.000.000,00 (one hundred million US dollar).

GWM in daily foreign currency for reporting period since date 24 until end of November are:

$1\% \times \text{USD}100.000.000,00 = \text{USD } 1.000.000,00$ (one million US dollar).

Article 5

Adjustments are implemented in accordance with policy directions of Bank Indonesia by considering macroeconomy, macroprudential, and microprudential.

Article 6

Self-explanatory.

Article 7

Daily calculation is performed based on end of the day position.

Article 8

Calculation of Primary GWM fulfillment percentage in rupiah and LDR GWM in rupiah also GWM in foreign currency is as following:

$$\frac{\text{Amount of Banks Demand Deposits daily listed balance in Bank Indonesia every day in 1 (one) reporting period}}{\text{Average daily total of Banks DPK in 1 (one) reporting period in 2 (two) previous reporting periods}} \times 100\%$$

Calculation of Primary GWM fulfillment in rupiah and LDR GWM in rupiah also GWM in foreign currency based on Banks DPK as the following:

- a. Daily GWM for reporting period since date 1 until date 7 is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 16 until date 23 the previous month;
- b. Daily GWM for reporting period since date 8 until date 15 is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 24 until last date of the previous month;
- c. Daily GWM for reporting period since date 16 until date 23 is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 1 until date 7 of the same month;
- d. Daily GWM for reporting period since date 24 until last date of the month is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 8 until date 15 of the same month;

Article 9

Paragraph (1)

Calculation of Secondary GWM fulfillment percentage in rupiah is as following:

$$\frac{\text{SBI} + \text{SUN} + \text{SBSN} + \text{Excess Reserve}}{\text{Average daily total of Banks DPK in 1 (one) reporting period in 2 (two) previous reporting periods}} \times 100\%$$

Calculation of Secondary GWM fulfillment in rupiah based on Banks DPK as the following:

- a. Daily GWM for reporting period since date 1 until date 7 is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 16 until date 23 the previous month;
- b. Daily GWM for reporting period since date 8 until date 15 is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 24 until last date of the previous month;
- c. Daily GWM for reporting period since date 16 until date 23 is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 1 until date 7 of the same month;
- d. Daily GWM for reporting period since date 24 until last date of the month is as the amount of GWM percentage determined from average daily total DPK in reporting period since date 8 until date 15 of the same month;

Paragraph (2)

Self-explanatory.

Article 10

Paragraph (1)

Self-explanatory.

Paragraph (2)

The determination of LDR Target percentage, Incentive KPMM, The Parameters of the Low Disincentives, and The Parameters of the HighDisincentives is performed based on the policy directions of Bank Indonesia by considering macroeconomy, macroprudential, and microprudential condition.

Article 11

Letter a

Example of LDR GWM calculation in rupiah:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000.000,00 (fifty five trillion rupiah) and Banks LDR position in the end of reporting period since date 8 until date 15 in November is 90% (ninety percent).

As referred in Article 10 paragraph (1), lower limit of LDR Target is 100% (one hundred percent) therefore Banks LDR is in the range of the

LDR Target. Thus, LDR GWM in Bank A daily rupiah for reporting period since date 24 until the end of November is 0% (zero percent) from DPK in rupiah.

GWM in Bank A daily rupiah for reporting period since date 24 until the end of November that is obliged to be fulfilled is the amount of:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah), fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah), fulfilled in the form of SBI, SUN, SBSN, and/or Excess Reserve.
- c. LDR GWM by 0% (zero percent) from DPK in rupiah is Rp0,00 (zero rupiah).

Letter b

Example of LDR GWM calculation in rupiah:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000.000,00 (fifty five trillion rupiah) and Banks LDR position in the end of reporting period since date 8 until date 15 in November is 50% (fifty percent).

As referred in Article 10 paragraph (1):

- a. Lower limit of LDR Target is 78% (seventy eight percent) and upper limit of LDR Target is 100% (one hundred percent)
- b. The Parameters of Low Disincentives is determined by 0.1 (zero point one).

Banks LDR is smaller than the lower limit of LDR Target, therefore LDR GWM in Banks daily rupiah for the reporting period since date 24 until the end of November is:

The Parameters of Low Disincentives x (Lower limit of LDR Target – Banks LDR) x DPK in rupiah

$$= 0.1 \times (78\% - 50\%) \times \text{DPK in rupiah}$$

$$= 0.1 \times 28\% \times \text{DPK in rupiah}$$

$$= 2.8\% \times \text{DPK in rupiah}$$

GWM in Bank A daily rupiah for reporting period since date 24 until the end of November that is obliged to be fulfilled is the amount of:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah), fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah), fulfilled in the form of SBI, SUN, SBSN, and/or Excess Reserve.

- c. LDR GWM by 2.8% (two point eight percent) from DPK in rupiah which is Rp.1.540.000.000.000,00 (one trillion and five hundred forty billion rupiah), fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.

Letter c

Example of LDR GWM calculation in rupiah:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000.000,00 (fifty five trillion rupiah) and Banks LDR position in the end of reporting period since date 8 until date 15 in November is 105% (a hundred and five percent) and Banks KPMM in the end of June position is 12% (twelve percent).

As referred in Article 10 paragraph (1):

- a. Lower limit of LDR Target is 78% (seventy eight percent) and upper limit of LDR Target is 100% (one hundred percent)
- b. The Parameters of HighDisincentives is determined by 0.2 (zero point two).
- c. Incentive KPMM is determined by 14% (fourteen percent).

Banks LDR is bigger than the upper limit of LDR Target and Banks KPMM is smaller than incentive KPMM, therefore LDR GWM in Banks daily rupiah for the reporting period since date 24 until the end of November is:

The Parameters of HighDisincentives x (Banks LDR – Upper Limit of LDR Target) x DPK in rupiah

$$= 0.2 \times (105\% - 100\%) \times \text{DPK in rupiah}$$

$$= 0.2 \times 5\% \times \text{DPK in rupiah}$$

$$= 1\% \times \text{DPK in rupiah}$$

GWM in Bank A daily rupiah for reporting period since date 24 until the end of November that is obliged to be fulfilled is the amount of:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah), fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah), fulfilled in the form of SBI, SUN, SBSN, and/or Excess Reserve.
- c. LDR GWM by 1% (one percent) from DPK in rupiah which is Rp.550.000.000.000,00 (five hundred and fifty billion rupiah), fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.

Letter d

Example of LDR GWM calculation in rupiah:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000.000,00 (fifty five trillion rupiah) and Banks LDR position in the end of reporting period since date 8 until date 15 in November is 125% (a hundred and twenty five percent) and Banks KPMM in the end of June position is 20% (twenty percent).

As referred in Article 10 paragraph (1):

- a. Lower limit of LDR Target is 78% (seventy eight percent) and upper limit of LDR Target is 100% (one hundred percent)
- b. The Parameters of HighDisincentives is determined by 0.2 (zero point two).
- c. Incentive KPMM is determined by 14% (fourteen percent).

Banks LDR is bigger than the upper limit of LDR Target and Banks KPMM is bigger than incentive KPMM, therefore LDR GWM in Banks daily rupiah for the reporting period since date 24 until the end of November is 0% (zero percent) from DPK in rupiah.

GWM in Bank A daily rupiah for reporting period since date 24 until the end of November that is obliged to be fulfilled is the amount of:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah), fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah), fulfilled in the form of SBI, SUN, SBSN, and/or Excess Reserve.
- c. LDR GWM by 0% (one percent) from DPK in rupiah which is Rp.0,00 (zero rupiah).

Article 12

Paragraph (1)

Self-explanatory.

Paragraph (2)

Banks LDR used as the base of LDR GWM calculation in rupiah is based on weekly balance sheet accounts of Periodic Report of Commercial Bank at the position of the end of reporting date at 2 (two) previous reporting period.

Therefore, the calculation of LDR GWM in rupiah is determined as the following:

- a. LDR GWM in daily rupiah for the reporting period since date 1 until date 7 based on the calculation of LDR amount at the end of reporting period since date 16 until date 23 the previous month;

- b. LDR GWM in daily rupiah for the reporting period since date 8 until date 15 based on the calculation of LDR amount at the end of reporting period since date 24 until the end of the previous month;
- c. LDR GWM in daily rupiah for the reporting period since date 16 until date 23 based on the calculation of LDR amount at the end of reporting period since date 1 until date 7 of the same month;
- d. LDR GWM in daily rupiah for the reporting period since date 24 until the end of the month based on the calculation of LDR amount at the end of reporting period since date 8 until date 15 of the same month;

Paragraph (3)

Quarter KPMM from the calculation of Bank Indonesia is used as the base of LDR GWM calculation in rupiah is the result from the system application processing used by Bank Indonesia in order to supervise based on the submitted report from Banks and adjustments have been made when necessary by Bank Indonesia, for position of end of March, June, September, and December.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 13

Paragraph (1)

For conventional commercial banks that are also doing the business based on islamic principles, Banks Demand Deposits balance donot include Islamic BusinessUnit Demand Deposits balance.

Paragraph (2)

Self-explanatory.

Article 14

Paragraph (1)

For conventional commercial banks that are also doing the business based on islamic principles, in determining DPK in rupiah and DPK in foreign currency do not includethe reported DPK of IslamicBusinessUnit.

Paragraph (2)

Letter a

Demand deposit in rupiah is component of demand depositas referred to in the elucidation of Third Party Fund components in Rupiah in the provisions of Bank Indonesia regarding periodic report of commercial bank.

Letter b

Saving account in rupiah is saving account component as referred to the elucidation of Third Party Fund components in Rupiah in the provisions of Bank Indonesia regarding periodic report of commercial banks.

Letter c

Term deposits in rupiah is components of term deposits as referred to in the elucidation of Third Party Fund components in Rupiah in the provisions of Bank Indonesia regarding periodic report of commercial banks.

Letter d

Other liabilities in rupiah are other liabilities to third party not bank as referred to in the elucidation of Third Party Fund components in Rupiah in the provisions of Bank Indonesia regarding periodic report of commercial banks .

Paragraph (3)

Letter a

Demand deposit in foreign currency is component of demand deposits as referred to in the elucidation of Third Party Fund components in Foreign Currency in the provisions of Bank Indonesia regarding periodic report of commercial banks .

Letter b

Saving account in foreign currency is saving account component as referred to the elucidation of Third Party Fund components in Foreign Currency in the provisions of Bank Indonesia regarding periodic report of commercial banks .

Letter c

Term deposits in foreign currency is components of term deposits as referred to in the elucidation of Third Party Fund components in Foreign Currency in the provisions of Bank Indonesia regarding periodic report of commercial banks .

Letter d

Other liabilities in foreign currency are other liabilities to third party not bank as referred to in the elucidation of Third Party Fund components in Foreign Currency in the provisions of Bank Indonesia regarding periodic report of commercial banks .

Article 15

Self-explanatory.

Article 16

Paragraph (1)

Self-explanatory

Paragraph (2)

The calculation of daily interest in 1 (one) reporting period is done by multiplying percentage of interest towards certain part of daily average

amount of DPK in 1 (one) reporting period at 2 (two) previous reporting period.

Paragraph (3)

Interest rate of 2.5% (two point five percent) is the effective annual rate which is determined based on the daily compounding period of 360 days.

Method of daily interest percentage calculation using interest rate of 2.5% (two point five percent) is as the following:

$$\begin{aligned}\text{Percentage of daily interest} &= \{1 + \text{effective annual rate}\} (1/360) - 1 \\ &= \{1 + 2.5\%\} (1/360) - 1 \\ &= 0.00686\%\end{aligned}$$

The result of daily interest percentage is rounded up to 5 (five) digit after the coma.

Paragraph (4)

Banks receiving allowance incentives of GWM obligation fulfillment in rupiah as referred to in Regulations of Bank Indonesia regarding to Incentives in the Framework of Banking Consolidation, deemed to have been fulfilling all GWM obligations in rupiah if the Banks have fulfill Primary GWM obligations in rupiah at least 7% from DPK in rupiah and fulfill Secondary GWM and LDR GWM obligations in rupiah in accordance to the applicable provisions.

Example of interest calculation:

Based on the elucidation calculation in Article 11 letter c, Bank A is obliged to fulfill GWM in daily rupiah for the reporting period since date 24 until the end of November as the following:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah);
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah); and
- c. LDR GWM by 1% (one percent) from DPK in rupiah which is Rp.550.000.000.000,00 (five hundred and fifty billion rupiah).

Primary GWM in rupiah and LDR GWM in rupiah is 9% (nine percent) from DPK in rupiah which is Rp.4.950.000.000.000,00 (four trillion and ninety hundred fifty billion rupiah) is obliged to be fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.

While Secondary GWM is 2.5% (two point five percent) from DPK in rupiah which is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah) is obliged to be fulfilled in the form of SBI, SUN, SBSN, and/or Excess Reserve.

In 24th November, the Rupiah Demand Deposits of Bank A in Bank Indonesia is Rp.5.000.000.000.000 (five trillion rupiah) and Bank A has SBI, SUN, and SBSN the amount of Rp1.500.000.000.000 (one trillion and five billion rupiah) therefore Banks have fulfilled all GWM

obligations in rupiah and can receive interest for certain parts of Rupiah Demand Deposits balance that used for the fulfillment of Primary GWM obligations in rupiah.

Part of Rupiah Demand Deposits balance that receives interest is determined by 3% (three percent) from DPK in rupiah which is:

$3\% \times \text{Rp}55.000.000.000.000,00 = \text{Rp}1.650.000.000.000,00$ (one trillion and sixty five billion rupiah).

The calculation of interest with interest rate of 2.5% (two point five percent) per year for date 24th November is as the following:

= daily interest percentage x part of Rupiah Demand Deposits balance that receives interest

= $0.00686\% \times \text{Rp}1.650.000.000.000,00$

= $\text{Rp}113.190.000,00$ (one hundred thirteen million and one hundred and ninety thousand rupiah).

Paragraph (5)

Self-explanatory.

Article 17

Paragraph (1)

Self-explanatory.

Paragraph (2)

Example of interest calculation:

Based on the elucidation calculation in Article 11 letter c, Bank A is obliged to fulfill GWM in daily rupiah for the reporting period since date 24 until the end of November as the following:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is $\text{Rp}4.400.000.000.000,00$ (four trillion and four billion rupiah);
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is $\text{Rp}1.375.000.000.000,00$ (one trillion and three hundred seventy five billion rupiah); and
- c. LDR GWM by 1% (one percent) from DPK in rupiah which is $\text{Rp}550.000.000.000,00$ (five hundred and fifty billion rupiah).

Primary GWM in rupiah and LDR GWM in rupiah is 9% (nine percent) from DPK in rupiah which is $\text{Rp}4.950.000.000.000,00$ (four trillion and ninety hundred fifty billion rupiah) is obliged to be fulfilled in the form of Rupiah Demand Deposits balance in Bank Indonesia.

While Secondary GWM is 2.5% (two point five percent) from DPK in rupiah which is $\text{Rp}1.375.000.000.000,00$ (one trillion and three hundred seventy five billion rupiah) is obliged to be fulfilled in the form of SBI, SUN, SBSN, and/or Excess Reserve.

In 24th November, the Rupiah Demand Deposits of Bank A in Bank Indonesia is $\text{Rp}5.000.000.000.000$ (five trillion rupiah) and Bank A has SBI, SUN, and SBSN the amount of the following:

- a. 24th November, Rupiah Demand Deposits Balance is $\text{Rp}5.000.000.000.000$ (five trillion rupiah) and amount of SBI,

- SUN, and SBSN is Rp1.500.000.000.000,00 (one trillion and five hundred billion rupiah);
- b. 25th November, Rupiah Demand Deposits Balance is Rp4.900.000.000.000 (four trillion and nine hundred billion rupiah) and amount of SBI, SUN, and SBSN is Rp1.500.000.000.000,00 (one trillion and five hundred billion rupiah);
 - c. 26th November, Rupiah Demand Deposits Balance is Rp5.000.000.000.000 (five trillion rupiah) and amount of SBI, SUN, and SBSN is Rp1.000.000.000.000,00 (one trillion rupiah);
 - d. 27th November, Rupiah Demand Deposits Balance is Rp5.000.000.000.000 (five trillion rupiah) and amount of SBI, SUN, and SBSN is Rp1.400.000.000.000,00 (one trillion and four hundred billion rupiah);
 - e. 28th November, Rupiah Demand Deposits Balance is Rp4.950.000.000.000 (four trillion and nine hundred fifty billion rupiah) and amount of SBI, SUN, and SBSN is Rp1.500.000.000.000,00 (one trillion and five hundred billion rupiah);
 - f. 29th November, Rupiah Demand Deposits Balance is Rp4.950.000.000.000 (four trillion and nine hundred fifty billion rupiah) and amount of SBI, SUN, and SBSN is Rp1.500.000.000.000,00 (one trillion and five hundred billion rupiah);
 - g. 30th November, Rupiah Demand Deposits Balance is Rp4.950.000.000.000 (four trillion and nine hundred fifty billion rupiah) and amount of SBI, SUN, and SBSN is Rp1.500.000.000.000,00 (one trillion and five hundred billion rupiah);

It is assumed that date 29 and 30 of November including 2nd December are holidays.

Based on the example, Bank A receive interest for date 24, 27, and 28 November because in 25th November Bank A has deficit Rupiah Demand Deposits Balance to fulfill Primary GWM and LDR GWM, while for 26th November Bank A has deficit of the amount of SBI, SUN, and SBSN also Excess Reserve to fulfill Secondary GWM.

The Calculation of interest for each date 24, 27 and 28 of November is as the following:

= daily interest percentage x part of Rupiah Demand Deposits balance that receives interest

= daily interest percentage x (3% x DPK in rupiah)

= 0.00686% x (3% x Rp55.000.000.000.000,00)

= 0.00686% x Rp1.650.000.000.000,00

= Rp113.190.000,00 (one hundred thirteen million and one hundred and ninety thousand rupiah).

Crediting of interest for each date 24, 27 and 28 of November is done by Bank Indonesia for Banks Rupiah Demand Deposits at the latest on 3rd December because 2nd December is holiday. Credited interest for Banks Rupiah Demand Deposits at the latest on 3rd December is:

$3 \times \text{Rp}113.190.000,00 = \text{Rp}339.570.000,00$ (three hundred thirty nine million and five hundred seventy thousand rupiah).

The rounding in the framework of crediting of Banks Demand Deposits of Bank Indonesia is done by considering Accounting system of Bank Indonesia.

Paragraph (3)

Self-explanatory.

Article 18

Paragraph (1)

Example of sanctions calculations:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000.000,00 (fifty five trillion rupiah) and Banks LDR position in the end of reporting period since date 8 until date 15 in November is 105% (a hundred and five percent) and Banks KPMI in the end of June position is 12% (twelve percent).

GWM in Bank A daily rupiah for reporting period since date 24 until the end of November that is obliged to be fulfilled is the amount of:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah);
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah); and
- c. LDR GWM by 1% (one percent) from DPK in rupiah which is Rp.550.000.000.000,00 (five hundred and fifty billion rupiah), in accordance to the elucidation in Article 11 letter c.

Primary GWM in rupiah and LDR GWM in rupiah is 9% (nine percent) from DPK in rupiah which is Rp4.950.000.000.000,00 (four trillion nine hundred and fifty billion rupiah) is obliged to be fulfilled in Rupiah Demand Deposits balance in Bank Indonesia.

While Secondary GWM is 2.5% (two point five percent) from DPK in rupiah which is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah) is obliged to be fulfilled in the form of SBI, SUN, SBSN, and/or Excess Reserve.

Example 1:

On 24th November, Bank A Rupiah Demand Deposits balance in Bank Indonesia is Rp4.500.000.000.000,00 (four trillion and five hundred billion rupiah) and Bank A has SBI, SUN, and SBSN the amount of

Rp1.500.000.000.000,00 (one trillion and five hundred billion rupiah), therefore there is a deficit in the fulfillment of Primary GWM and LDR GWM the amount of Rp450.000.000.000,00 (four hundred and fifty billion rupiah). The deficiency of Primary GWM and LDR GWM cannot be fulfilled from the exceeding Primary GWM.

JIBOR Interest Rate in rupiah for 24th November is 6% (six percent).

The calculation of paying obligation sanction for GWM violation in rupiah for Bank A for 24th November is as the following:

$$\frac{\text{Deficiency of GWM in rupiah} \times 125\% \times \text{JIBOR interest rate in rupiah} \times \text{working days}}{360}$$

which is

$$\frac{\text{Rp450.000.000.000,00} \times 125\% \times 6\% \times 1}{360}$$

In addition, on 24th November Bank A does not receive interest because Bank A cannot fulfill all GWM obligations in rupiah (the deficit of Rupiah Demand Deposits balance for the fulfillment of Primary GWM and LDR GWM).

Example 2:

On 24th November, Bank A Rupiah Demand Deposits balance in Bank Indonesia is Rp5.100.000.000.000,00 (five trillion and one hundred billion rupiah) and Bank A has SBI, SUN, and SBSN the amount of Rp1.000.000.000.000,00 (one trillion rupiah), therefore there is a deficit in the fulfillment of Secondary GWM in rupiah the amount of Rp375.000.000.000,00 (three hundred and seventy five billion rupiah).

Bank A has Excess Reserve the amount of Rp150.000.000.000,00 (one hundred and fifty billion rupiah) which can be used to the fulfillment of deficit Secondary GWM in rupiah therefore Bank have the deficit for the fulfillment of Secondary GWM the amount of: Rp375.000.000.000,00 – Rp150.000.000.000 = Rp225.000.000.000,00

JIBOR Interest Rate in rupiah for 24th November is 6% (six percent).

The calculation of paying obligation sanction for GWM violation in rupiah for Bank A for 24th November is as the following:

$$\frac{\text{Deficiency of GWM in rupiah} \times 125\% \times \text{JIBOR interest rate in rupiah} \times \text{working days}}{360}$$

which is

$$\frac{\text{Rp225.000.000.000,00} \times 125\% \times 6\% \times 1}{360}$$

In addition, on 24th November Bank A does not receive interest because Bank A cannot fulfill all GWM obligations in rupiah (the

deficit of SBI, SUN, SBSN and/or Excess Reserve for fulfillment of Secondary GWM obligations).

Example 3:

On 24th November, Bank A Rupiah Demand Deposits balance in Bank Indonesia is Rp4.500.000.000.000,00 (four trillion and five hundred billion rupiah) and Bank A has SBI, SUN, and SBSN the amount of Rp1.000.000.000.000,00 (one trillion rupiah), therefore there is a deficit in the fulfillment of Primary GWM in rupiah and LDR GWM in rupiah the amount of Rp450.000.000.000,00 (four hundred and fifty billion rupiah) and the deficit of Secondary GWM fulfillment in rupiah of Rp375.000.000.000,00 (three hundred and seventy five billion rupiah). JIBOR Interest Rate in rupiah for 24th November is 6% (six percent). The calculation of paying obligation sanction for GWM violation in rupiah for Bank A for 24th November is as the following:

$$\frac{\text{Deficiency of GWM in rupiah} \times 125\% \times \text{JIBOR interest rate in rupiah} \times \text{working days}}{360}$$

which is

$$\frac{\text{Rp}825.000.000.000,00 \times 125\% \times 6\% \times 1}{360}$$

In addition, on 24th November Bank A does not receive interest because cannot fulfill GWM obligations in rupiah (the deficit of Rupiah Demand Deposits balance to fulfill Primary GWM obligations and LDR GWM and also the deficit of SBI, SUN, SBSN and/or Excess Reserve for fulfillment of Secondary GWM obligations).

Paragraph (2)

Calculation example:

Bank A has the average daily total DPK in foreign currency in the reporting month since date 8 until date 15 of November of the amount USD100.000.000,00 (one hundred million US dollar).

GWM in daily foreign currency for the reporting month since date 24 until the end of November is as the following:

$1\% \times \text{USD}100.000.000,00 = \text{USD}1.000.000,00$ (one million US Dollar)

Bank A Foreign Currency Demand Deposits Balance in Bank Indonesia on 24th November is USD900.000,00 (nine hundred thousand US dollar) therefore there is deficit in the fulfillment of GWM the amount of USD100.000,00 (one hundred US dollar).

Paragraph (3)

Transaction exchange rate is selling exchange rate added with buying exchange rate divided with two.

With the paying obligation sanction of USD40.00 (forty US dollar) as the calculation example at the elucidation of paragraph (2) and assuming transaction exchange rate in Bank Indonesia at the violation

day is Rp9.000,00/USD (nine thousand rupiah per US dollar), therefore the paying obligation sanction that should be paid is:

$40 \times \text{Rp}9.000,00 = \text{Rp}360.000,00$ (three hundred and sixty thousand rupiah).

Paragraph (4)

Allowance of GWM fulfillment in rupiah for Banks that receive incentives in the framework of banking consolidation for the fulfillment of Primary GWM in rupiah which is in accordance to the current provision become at least by 7% (seven percent) from DPK in rupiah.

Article 19

Self-explanatory

Article 20

CDO is steps determined by Bank Indonesia to Banks in performing or not performing certain things. Example of CDO is the prohibition for Banks to do credit expansion.

The difference of calculation such as the extraction/addition percentage of LDR GWM received from the result of the calculation as referred to in this Regulation of Bank Indonesia.

Article 21

Paragraph (1)

Self-explanatory.

Paragraph (3)

Example:

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000.000,00 (fifty five trillion rupiah) and Banks LDR position in the end of reporting period since date 8 until date 15 in November is 105% (a hundred and five percent) and Banks KPMM in the end of June position is 12% (twelve percent).

GWM in Bank A daily rupiah for reporting period since date 24 until the end of November that is obliged to be fulfilled is the amount of:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah);
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah); and
- c. LDR GWM by 1% (one percent) from DPK in rupiah which is Rp.550.000.000.000,00 (five hundred and fifty billion rupiah), in accordance to the elucidation in Article 11 letter c.

Bank A Rupiah Demand Deposits Balance in Bank Indonesia on 24th November is Rp.4.500.000.000.000,00 (four trillion and five hundred billion rupiah) and Banks have SBI, SUN, and SBSN the amount of Rp1.000.000.000.000,00 (one trillion rupiah) therefore there is deficit in the fulfillment of GWM in rupiah the amount of

Rp825.000.000.000,00 (eight hundred twenty five billion rupiah), which consist of the deficit from Primary GWM fulfillment in rupiah and LDR GWM in rupiah the amount of Rp450.000.000.000,00 (four hundred and fifty billion rupiah) and the deficit of Secondary GWM fulfillment in rupiah the amount of Rp375.000.000.000,00 (three hundred and seventy five billion rupiah).

GWM violation in rupiah occurred in 24th November (Monday), charges of demand deposits is performed the latest of 27th November and if 25th November (Tuesday) is national holiday then the sanction is charged the latest of 28th November (Friday).

Paragraph (3)

Self-explanatory.

Paragraph (4)

Bank A has average daily total DPK in rupiah in reporting period since date 8 until date 15 in November of Rp55.000.000.000.000,00 (fifty five trillion rupiah) and Banks LDR position in the end of reporting period since date 8 until date 15 in November is 105% (a hundred and five percent) and Banks KPMI in the end of June position is 12% (twelve percent).

GWM in Bank A daily rupiah for reporting period since date 24 until the end of November that is obliged to be fulfilled is the amount of:

- a. Primary GWM by 8% (eight percent) from DPK in rupiah that is Rp4.400.000.000.000,00 (four trillion and four billion rupiah);
- b. Secondary GWM by 2.5% (two point five percent) from DPK in rupiah is Rp1.375.000.000.000,00 (one trillion and three hundred seventy five billion rupiah); and
- c. LDR GWM by 1% (one percent) from DPK in rupiah which is Rp.550.000.000.000,00 (five hundred and fifty billion rupiah), in accordance to the elucidation in Article 11 letter c.

Bank A Rupiah Demand Deposits Balance in Bank Indonesia on 24th November is Rp.1.000.000.000,00 (one billion rupiah) and Banks do not have SBI, SUN, and SBSN therefore there is deficit in the fulfillment of GWM in rupiah the amount of Rp6.324.000.000.000,00 (six trillion and three hundred twenty four billion rupiah), which consist of the deficit from Primary GWM fulfillment in rupiah and LDR GWM in rupiah the amount of Rp4.949.000.000.000,00 (four trillion and nine hundred forty nine billion rupiah) and the deficit of Secondary GWM fulfillment in rupiah the amount of Rp1.375.000.000.000,00 (one trillion and three hundred and seventy five billion rupiah).

JIBOR Interest Rate in rupiah for 24th November and 26th November is 6% (six percent).

The calculation of paying obligation sanction for GWM violation in rupiah for Bank A for 24th November is as the following:

$$\frac{\text{Deficiency of GWM in rupiah} \times 125\% \times \text{JIBOR interest rate}}{\text{in rupiah} \times \text{working days}} \times 360$$

$$\frac{\text{Rp}825.000.000.000,00 \times 125\% \times 6\% \times 1}{360}$$

which is Rp1.317.500.000,00 (one billion three hundred seventeen and five hundred thousand rupiah).

Debiting of Banks Rupiah Demand Deposits in the framework of penalty for GWM deficiency in rupiah which occur on 24th November is performed the latest of next 3 (three) working days.

For example the debiting of Banks Rupiah Demand Deposits is performed on 26th November and Banks Rupiah Demand Deposits balance is not sufficient for sanction debiting, therefore there is deficiency in the framework of sanction debiting of the amount of Rp200.000.000,00 (two hundred million rupiah), thus for the deficiency Bank A is given sanction the amount of:

$$\frac{\text{Rp}200.000.000,00 \times 125\% \times 6\% \times 1}{360}$$

Article 22

Self-explanatory.

Article 23

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Self-explanatory.

Additions to State Gazette of the Republic of Indonesia Number 5158